

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/14/10

**CASCIO & SCHMIDT, LLC
Certified Public Accountants**

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Assessor Third Municipal District,
Parish of Orleans

We have audited the accompanying financial statements of the governmental activities of the Assessor, Third Municipal District, Parish of Orleans, a component unit of the Board of Assessors Parish of Orleans, as of December 31, 2009 and for the year then ended, as listed in the table of contents. *These financial statements are the responsibility of the Assessor, Third Municipal District, Parish of Orleans.* Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's 2008 financial statements and, in our report dated June 3, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Assessor, Third Municipal District, Parish of Orleans, as of December 31, 2009, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 8, 2010, on our consideration of the Assessor, Third Municipal District's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 7, and the budgetary comparative information on page 26, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Cassio & Schmidt, PLLC.

Metairie, Louisiana

June 8, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2009

The discussion and analysis of the Assessor, Third Municipal District, Parish of Orleans' financial performance provides an overview of the Assessor, Third Municipal District's financial activities for the fiscal year ended December 31, 2009. Please review it in conjunction with the basic financial statements and the accompanying notes.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Assessor, Third Municipal District's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Assessor's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund (Fund Financial Statements) show how these services are financed in the short term as well as for future spending. Fund Financial Statements also report the operations in more detail than the Government-wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements.

The auditor has provided assurance in their independent auditor's report that the Basic Financial Statements are fairly stated. The auditor provides varying degrees of assurance on the Required Supplemental Information, and the Report on Internal Control and Compliance. Users of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided.

Government-wide Financial Statements. The Government-wide Financial Statements are designed to provide readers with a broad overview of the Assessor, Third Municipal District's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Assessor, Third Municipal District's assets and liabilities, with the difference between the two reported as Net Assets. Overtime, increases or decreases in net assets serve as a useful indicator of the financial position of the Assessor, Third Municipal District.

The Statement of Activities presents information on how the government's net assets changed during

the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Fund Financial Statements. A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor, Third Municipal District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the Assessor Third Municipal District is a governmental fund, the General Fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government-wide fund balance sheet and general fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The Assessor, Third Municipal District adopts an annual budget for the General Fund. Page 26 provides a statement showing both budget and actual amounts.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the Assessor, Third Municipal District's performance.

Government-wide Financial Analysis

The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Assessor, Third Municipal District to acquire capital assets, and 2) required depreciation on assets being included in the statement of net assets for the first time.

The following is the Government-wide condensed Statement of Net Assets:

CONDENSED STATEMENT OF NET ASSETS
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Current and other assets	\$ 1,534,197	\$ 2,409,101
Liabilities		
Current and other liabilities	(46,028)	(29,362)
Net Assets		
Invested in capital assets	-	-
Unrestricted	<u>1,488,169</u>	<u>2,379,739</u>
Total Net Assets	<u>\$ 1,488,169</u>	<u>\$ 2,379,739</u>

Net assets may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$1,488,169 at December 31, 2009, and \$2,379,739 at December 31, 2008.

The following is the Government-wide condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES
Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues		
Intergovernmental revenue	\$ 1,008,220	\$ 1,774,572
Interest and other income	<u>20,033</u>	<u>57,219</u>
Total Revenues	<u>1,028,253</u>	<u>1,831,791</u>
Expenses		
Salaries and benefits	1,025,414	841,247
Operating expenses	872,248	551,353
Other	<u>22,161</u>	<u>39,806</u>
Total Expenses	<u>1,919,823</u>	<u>1,432,406</u>
Change in Net Assets	(891,570)	399,385
Net Assets - Beginning	<u>2,379,739</u>	<u>1,980,354</u>
Net Assets - Ending	<u>\$ 1,488,169</u>	<u>\$ 2,379,739</u>

Financial Analysis of the Governmental Fund (General Fund)

As noted earlier, the Assessor, Third Municipal District uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The focus of the governmental fund is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance serves as a useful measure of a government's net resources available.

The following is the General Fund condensed Balance Sheet:

CONDENSED BALANCE SHEET December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Current and other assets	\$ <u>1,534,197</u>	\$ <u>2,409,101</u>
Liabilities		
Current and other liabilities	\$ 46,028	\$ 29,362
Fund Balance	<u>1,488,169</u>	<u>2,379,739</u>
Liabilities and Fund Balance	\$ <u>1,534,197</u>	\$ <u>2,409,101</u>

The following is the General Fund condensed Statement of Revenues and Expenditures:

CONDENSED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues		
Intergovernmental revenue	\$ 1,008,220	\$ 1,774,572
Interest and other income	<u>20,033</u>	<u>57,219</u>
Total Revenues	<u>1,028,253</u>	<u>1,831,791</u>
Expenditures		
Salaries and benefits	1,025,414	841,247
Operating expenses	872,248	551,353
Other	<u>22,161</u>	<u>39,806</u>
Total Expenses	<u>1,919,823</u>	<u>1,432,406</u>
Change in Net Assets	(891,570)	399,385
Net Assets - Beginning	<u>2,379,739</u>	<u>1,980,354</u>
Net Assets - Ending	\$ <u>1,488,169</u>	\$ <u>2,379,739</u>

At December 31, 2009, the General Fund's fund balance of \$1,488,169 showed a decrease of \$891,570 from the \$2,379,739 balance at December 31, 2008.

General Fund Budgetary Highlights

The variances between budgeted and actual amounts are summarized below:

Revenue - Budgeted amounts exceeded actual amounts by \$24,967.

Expenditures - Actual amounts exceeded budgeted amounts by \$42,823.

Capital Assets

The Assessor, Third Municipal District's capital assets were fully depreciated as of December 31, 2009.

Long-term debt

The Assessor, Third Municipal District has no debt outstanding.

Other

With the additional funding, additional staff will be hired to bring the staff complement to the level needed to appraise an assessment district the size of the Third Municipal District.

Requests for Information

This financial report is designed to provide a general overview of the Assessor, Third Municipal District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assessor, Third Municipal District, 1300 Perdido Street, Room 4E01, New Orleans, LA 70112.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

STATEMENT OF NET ASSETS

December 31, 2009

	<u>2009</u>	<u>Memorandum Only - 2008</u>
ASSETS		
Cash (Note A-6)	\$ 214,668	\$ 192,657
Investments (Note A-7)	1,317,754	2,210,383
Prepaid expenses	<u>1,775</u>	<u>6,061</u>
Total Assets	\$ <u>1,534,197</u>	\$ <u>2,409,101</u>
 LIABILITIES		
Liabilities		
Accounts payable and accrued liabilities	\$ <u>46,028</u>	\$ <u>29,362</u>
Total liabilities	<u>46,028</u>	<u>29,362</u>
 NET ASSETS		
Investment in capital assets	-	-
Unrestricted	<u>1,488,169</u>	<u>2,379,739</u>
Total Net Assets	\$ <u>1,534,197</u>	\$ <u>2,409,101</u>

The accompanying notes are an integral part of this statement.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

STATEMENT OF ACTIVITIES

For the year ended December 31, 2009

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES CHARGES FOR SERVICES</u>	NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS	<u>MEMORANDUM ONLY - 2008</u>
			<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>	
Primary Government				
Governmental Activities				
General	\$ <u>1,919,823</u>	12,663	\$ 1,907,160	\$ (1,419,172)
General Revenues:				
Board of Assessor's Allotment			1,008,220	1,774,572
Unrestricted investment earnings			<u>7,370</u>	<u>43,985</u>
Total general revenues			<u>1,015,590</u>	<u>1,818,557</u>
Change in net assets			(891,570)	339,385
Net assets				
Beginning of year			<u>2,379,739</u>	<u>1,980,354</u>
End of year			\$ <u>1,488,169</u>	\$ <u>2,379,739</u>

The accompanying notes are an integral part of this statement.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

**BALANCE SHEET - GENERAL FUND
GOVERNMENTAL FUND TYPE**

December 31, 2009

	<u>2009</u>	Memorandum Only - 2008
ASSETS		
Cash	\$ 214,668	\$ 192,657
Investments	1,317,754	2,210,383
Prepaid expenses	<u>1,775</u>	<u>6,061</u>
Total Assets	<u>\$ 1,534,197</u>	<u>\$ 2,409,101</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ <u>46,028</u>	\$ <u>29,362</u>
Total Liabilities	46,028	29,362
 Fund Balance		
Unreserved and undesignated	<u>1,488,169</u>	<u>2,379,739</u>
Total Liabilities and Fund Balance	<u>\$ 1,534,197</u>	<u>\$ 2,409,101</u>

The accompanying notes are an integral part of this statement.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

**RECONCILIATION OF GENERAL FUND BALANCE TO THE
STATEMENT OF NET ASSETS**

December 31, 2009

	<u>2009</u>	Memorandum Only - 2008
Total Government Fund Balance	\$ 1,488,169	\$ 2,379,739
Amounts reported in governmental activities in the statement of net assets are different because:		
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the governmental fund balance sheet	<u>-</u>	<u>-</u>
Net Assets of Governmental Activities	\$ <u>1,488,169</u>	\$ <u>2,379,739</u>

The accompanying notes are an integral part of this statement.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
GOVERNMENTAL FUND TYPE**

For the year ended December 31, 2009

	<u>2009</u>	<u>Memorandum Only - 2008</u>
REVENUES		
Intergovernmental revenue		
Board of Assessors		
Allotment	\$ 1,008,220	\$ 1,774,572
Interest income	7,370	43,985
Other income	<u>12,663</u>	<u>13,234</u>
 Total Revenue	 <u>1,028,253</u>	 <u>1,831,791</u>
 EXPENDITURES		
Personnel services and related benefits	1,025,414	841,247
Travel	4,464	6,044
Operating expenses	872,248	551,353
Material and supplies	<u>17,697</u>	<u>33,762</u>
Total Expenditures	<u>1,919,823</u>	<u>1,432,406</u>
 Excess of Revenues or (Expenditures)	 (891,570)	 399,385
 FUND BALANCE		
Beginning of year	<u>2,379,739</u>	<u>1,980,354</u>
 End of year	 <u>\$ 1,488,169</u>	 <u>\$ 2,379,739</u>

The accompanying notes are an integral part of this statement.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GENERAL FUND TO THE
STATEMENT OF ACTIVITIES**

For the year ended December 31, 2009

	<u>2009</u>	<u>Memorandum Only - 2008</u>
Net change in governmental fund balance	\$ (891,570)	\$ 399,385
Amount reported for the governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental fund as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	<u>-</u>	<u>-</u>
Change in net assets of governmental activities	\$ <u>(891,570)</u>	\$ <u>399,385</u>

The accompanying notes are an integral part of this statement.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the entity's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, there shall be seven assessors in New Orleans, who shall compose the Board of Assessors for Orleans Parish. One shall be elected from each municipal district of New Orleans, and each shall be a resident of the district from which he is elected. The assessor shall be elected at the same time as the municipal officers of New Orleans, for terms of four years each. In the event a vacancy occurs in any one of the seven assessors' office, the Board of Assessors shall appoint an interim assessor for the unexpired term. The assessors receive their salaries directly from the Board of Assessors.

The assessor assesses all real and moveable property in his municipal district subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for taxpayers in his district. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

The Assessor completes an assessment listing, exposes this listing for public inspection, submits the list to the governing authority and the Louisiana Tax Commission, who then certifies the tax roll, as prescribed by law. Once the assessment listing is approved, the Assessor submit the assessment roll to the tax collector, who is responsible for collecting and distributing taxes to the various tax recipient bodies.

The assessment rolls of the Assessor, third Municipal District, Parish of Orleans for the years 2009 and 2008 are as follows:

	<u>Year 2009</u>	<u>Year 2008</u>
Real estate	\$ 474,758,070	\$ 420,845,810
Personal property	102,041,798	98,376,857
Public service rolls	<u>57,627,020</u>	<u>56,250,290</u>
Total	634,426,888	575,472,957
Less homestead exemptions	<u>99,207,450</u>	<u>84,016,160</u>
Net amount	<u>\$ 535,219,438</u>	<u>\$ 491,456,797</u>

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

1. Reporting Entity

As the governing authority for reporting purposes, the Board of Assessors, Parish of Orleans is the financial reporting entity, the primary government. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Organizations for which the Board of Assessors do not appoint a voting majority, but are fiscally dependent on the Board of Assessors,
 - a. the ability of the Board of Assessors to impose its will on that organization,
 - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Board of Assessors.
2. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Assessor is an independently elected official, and is a member of the Board of Assessors, Parish of Orleans, however, the exclusion from the Board of Assessors, Parish of Orleans' financial statements would cause the Board of Assessors' financial statements to be misleading or incomplete. Also, the Assessor, Third Municipal District is fiscally dependent on the Board of Assessors. The Board of Assessors has approval authority over the Assessor, Third Municipal District's capital budget. For these reasons, the Assessor, Third Municipal District is determined to be a component unit of the Board of Assessors, Parish of Orleans. The accompanying financial statements present information only on the funds maintained by the Assessor, Third Municipal District, Parish of Orleans, and do not present information on the Board of Assessors, Parish of Orleans. Office space is furnished to the Assessor, Third Municipal District, by the City of New Orleans, as required by the State Constitution, and title to the real property is in the name of the City of New Orleans.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) and the fund financial statements comprise the basic financial statements. Both government-wide and fund financial statements categorize the primary activities. All of the activities of the Assessor, Third Municipal District are classified as governmental.

The Statement of Net Assets and the Statement of Activities provide information about the reporting government as a whole. These statements include all of the financial activities of the Assessor, Third Municipal District .

In the Statement of Net Assets, governmental activities are presented on a full accrual, economic resource basis. Net assets are reported in three parts; invested in capital assets, net of any related debt, if any; restricted net assets; and unrestricted net assets. The Assessor, Third Municipal District has no restricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

3. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Assessor, Third Municipal District are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund Accounting

The Assessor, Third Municipal District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Assessor, Third Municipal District only uses governmental funds.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

New Reporting Requirements

The Assessor, Third Municipal District adopted the provision of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements, and Management's Discussion and Analysis (MD & A) for State and Local Governments for the first time this year. The Assessor, Third Municipal District will be treated as a governmental-type activity for financial reporting purposes. The requirements for the Assessor, Third Municipal District established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than MD&A).

General Fund

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal operating fund of the Assessor, Third Municipal District, Parish of Orleans and accounts for all financial resources, except those required to be accounted for in another fund. Revenues are accounted for in the General Fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908 is accounted for in the fund.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Budget and Budgetary Accounting

The Board of Assessors, Parish of Orleans, legally adopts an annual budget, which authorizes the annual appropriation of the Assessor's office. The budgetary practices include public notice, participation and inspection. Additionally, the Board of Assessor's budget authorizes supplementary appropriations during the year to the Assessor, Third Municipal District, Parish of Orleans. Since the Board of Assessors legally adopts a budget, the Assessor, Third Municipal District, Parish of Orleans, is not required to follow the legal budgetary practices of public notice, participation and inspections.

5. Vacation and Sick Leave

The employees of the Assessor, Third Municipal District, Parish of Orleans, earn two weeks of vacation leave each year and earn one day of sick leave each month. Vacation leave not used at the end of the year is not carried over to the next year, consequently vacation leave is not accrued at the end of the year. Sick leave is limited to 180 days. Vacation and sick pay expenditures are charged to operations when taken by the employees of the Assessor, Third Municipal District, Parish of Orleans. Unused sick leave can be taken only in the event of illness and is not convertible to pay upon termination of employment or retirement, accordingly, no accruals are reflected in the accounts.

6. Cash and Cash Equivalents

Under State Law, the assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with State banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximate market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits were fully secured from risk by federal deposit insurance and by the pledge of securities.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Investments

Investments represent funds deposited in the Louisiana Asset Management Pool (LAMP), a state sponsored external investment pool. Their financial statements are available from LAMP upon request. This investment, reported at fair value, is not required to be categorized under Government Accounting Standards Board Statement No. 3.

8. Capital Assets

The capital assets used in the governmental - type activities are included in the Statement of Net Assets and are capitalized at historical cost. Depreciation of all exhaustible capital assets is charged as an expense against operations. There were no capital assets or depreciation expense for the year 2009.

9. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10. Subsequent Events

The subsequent events of the municipal district were evaluated through the date the financial statements were available to be issued (June 9, 2010).

11. Total Memorandum Only Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position or changes in net assets in conformity with generally accepted accounting principles.

NOTE B - PENSION PLAN

All full-time employees of the Assessor, Third Municipal District, Parish of Orleans, are members of the Louisiana Assessor's Retirement System.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE B - PENSION PLAN - Continued

The retirement system is a state-wide defined benefit multiple employer public retirement system. The system is administered and controlled by a separate board of trustees, with contribution rates approved by the Louisiana Legislature. Contributions for participants and the Board's allotment are pooled within the system to fund accrued benefits. The Assessor, Third Municipal District, Parish of Orleans does not guarantee the benefits granted by the retirement system.

Following is a summary of the Louisiana Assessor's Retirement Fund for the most recent valuation date, which was September 30, 2009.

<u>Actuarial Value of Plan Assets</u>	\$ <u>206,677,106</u>
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<u>Unfunded Pension Benefit Obligation</u>	\$ <u>22,817,329</u>
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1) Amount of the Assessor, Third Municipal District, Parish of Orleans, Current Year Covered Payroll	\$ <u>538,763</u>
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Amount of the Assessor, Third Municipal District, Parish of Orleans, Current Year Total Payroll	\$ <u>714,571</u>
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- 2) All full time employees of the Assessor, Third Municipal District, Parish of Orleans, are members of the Retirement System.

Retirement benefits are computed based on the highest thirty-six (36) consecutive or joined months of salary.

A participant may retire after twelve (12) years of creditable Service and 55 years of age or older, or at age 50 with 30 years creditable service.

- 3) The Louisiana Assessor's Retirement Fund was created by provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The Assessor, Third Municipal District, Parish of Orleans, contributed 21.5% of the covered Payroll for January through December 2009, which is remitted to the Louisiana Assessor's Retirement Fund.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE B - PENSION PLAN - CONTINUED

- 4) Retirement plan contributions for the year amounted to \$115,834.
These funds are remitted to the Louisiana Assessor's Retirement Fund.
- 5) The assumptions used for valuation were the same as those utilized for the prior year.
- 6) The Louisiana Assessor's Retirement System, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer. The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits for the state-wide plan:

Active Members	\$ 216,680,795
Retirees, beneficiaries and terminated employees	<u>104,073,695</u>
Total pension benefit obligation	\$ <u>320,754,490</u>
Total net assets available for benefits	\$ <u>206,677,106</u>

- 7) The historical trend information shall be included in the separately issued Louisiana Assessor's Retirement Fund annual report.

NOTE C - COMMITMENT

A portion of the District's operations is conducted in leased facilities classified as an operating lease. The lease term is for twenty-eight months ending May 30, 2010, at a rate of \$4,908 monthly. The following is a schedule by years of minimum rental payments.

Year ending:	
December 31, 2010	\$ 24,545

Total rental expense amounted to \$61,943 for the year ended December 31, 2009.

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE D - POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description - The Assessor, Third Municipal District, Parish of Orleans, participates in a comprehensive medical plan sponsored by the Louisiana Assessor's Association. Medical benefits are made available to employees upon actual retirement.

Contribution Rates - Employees do not contribute to their post employment benefits costs. The plan provisions are contained in the official plan documents.

Funding Policy - Effective January 1, 2009 the Assessor, Third Municipal District, Parish of Orleans, implemented Government Accounting Standard Board (GASB) Statement 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension (GASB 45).

Annual Required Contribution - The Assessor, Third Municipal District, Parish of Orleans, Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The total ARC for the calendar year 2009 is \$15,624, as set forth below:

	<u>Medical</u>
Normal Cost	\$ 5,475
Amortization of UAAL	<u>10,149</u>
Annual required contribution	<u>\$ 15,624</u>

Net Post - employment Benefit Obligation - The table below shows the Assessor, Third Municipal District, Parish of Orleans' Net Other Post - employment Benefit (OPEB) Obligation for the year December 31, 2009:

	<u>Medical</u>
Beginning Net OPEB Obligation at 1/1/09	\$ -
Annual required contribution	15,624
Interest on Net OPEB Obligation	-
ARC Adjustment	<u>-</u>
Annual OPEB cost	15,624
Contribution	-
Current year retiree premium	<u>-</u>
Changes in Net OPEB Obligation	<u>15,624</u>
Ending Net OPEB Obligation at 12/31/09	<u>\$ 15,624</u>

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE D - POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

The following table shows the Assessor, Third Municipal District, Parish of Orleans' annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded PEB liability:

<u>Post Employment Benefit</u>	<u>Year Ended</u>	<u>Annual OPED Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
Medical	December 31, 2009	\$15,624	0%	\$15,624

Funded Status and Funding Progress - As of December 31, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$15,624. The plan has no assets, resulting in an unfunded actuarial accrual liability (UAAL) of \$15,624.

	<u>Mutual</u>
Actuarial Accrued Liability (AAL)	\$ 15,624
Actual Value of Plan Assets	-
Unfunded actuarial accrued liability	15,624
Funded Ratio	0%

All members are retirees, there was no payroll for active employees covered by the plan. The ratio of the UAAL to the covered payroll is not applicable.

**ASSESSOR SECOND MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2009

NOTE D - POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumptions); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assessor, Third Municipal District, Parish of Orleans, and its plan members at the time of the valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assessor, Third Municipal District, Parish of Orleans, and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method - the ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets - Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations a smoother market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Mortality Rates - The Mortality rates used the RP2000 system table with floating scale AA projections for males and females.

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. Retirees are covered for health insurance after age 55, and 12 years of service, or 30 years of service at any age. The discount rate for valuing liabilities is 4% per annum, compounded annually.

SUPPLEMENTAL INFORMATION

**ASSESSOR THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

**Required Supplementary Information
General Fund - Governmental Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009**

	<u>Budget</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>	Variance With Budget Favorable (Unfavorable)
GENERAL REVENUES			
Intergovernmental revenue			
Board of Assessors allotment	\$ 1,008,220	\$ 1,008,220	\$ -
Interest income	30,000	7,370	(22,630)
Other income	<u>15,000</u>	<u>12,663</u>	(2,337)
Total General Revenues	<u>1,053,220</u>	<u>1,028,253</u>	(24,967)
 EXPENDITURES			
Personnel services and related benefits	1,010,000	1,025,414	(15,414)
Travel	5,000	4,464	536
Operating expenses	840,000	872,248	(32,248)
Materials and supplies	<u>22,000</u>	<u>17,697</u>	4,303
Total Expenditures	<u>1,877,000</u>	<u>1,919,823</u>	(42,823)
 Excess of Revenues or (Expenditures)	(823,780)	(891,570)	(67,790)
 Fund Balance - Beginning of Year	<u>2,379,739</u>	<u>2,379,739</u>	-
Fund Balance - End of Year	<u>\$ 1,555,959</u>	<u>\$ 1,488,169</u>	<u>\$ 67,790</u>

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Assessor Third Municipal District
Parish of Orleans

We have audited the basic financial statements of the Assessor, Third Municipal District, Parish of Orleans, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Assessor, Third Municipal District, Parish of Orleans' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assessor, Third Municipal District, Parish of Orleans' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assessor, Third Municipal District, Parish of Orleans' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor, Third Municipal District, Parish of Orleans' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carris & Schmitt, LLC.

Metairie, Louisiana
June 8, 2010

**ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

**SCHEDULE OF FINDINGS AND RESPONSE
Year Ended December 31, 2009**

A. SUMMARY OF AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

We have audited the financial statements of Assessor, Third Municipal District, Parish of Orleans as of and for the year ended December 31, 2009, and have issued our report thereon dated June 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2009, resulted in an unqualified opinion.

B. SCHEDULE OF FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings related to the financial statements as of and for the year ended December 31, 2009.

C. PRIOR YEAR AUDIT FINDINGS

There were no prior year audit finding.